



**SUSANA MARTINEZ, GOVERNOR**

Butch Tongate, Cabinet Secretary

J.C. Borrego, Deputy Secretary

*The Environment Department's mission is to protect and restore the environment and to foster a healthy and prosperous New Mexico for present and future generations.*

## **NEWS RELEASE**

*For Immediate Release*

**July 24, 2017**

**Contact:** Allison Scott Majure, Communications Director  
New Mexico Environment Department  
505.231.8800 | [Allison.majure@state.nm.us](mailto:Allison.majure@state.nm.us)

### **\$18M in Volkswagen Smog Device Software Settlement Funds to be Administered by NM Environment Department**

*NMED to Host Public Meetings on the Settlement Conditions and Development of Disbursement Criteria in Albuquerque, Santa Fe, Gallup, Farmington, Las Cruces, and Roswell.*

**Santa Fe** – The state of New Mexico is slated to receive approximately \$18 million dollars in settlement funds following resolution of the Volkswagen smog device emissions scandal. The scandal involved embedded software in more than 500,000 vehicles' electronics that allowed Volkswagen's cars to emit up to 40 times the legally allowed amount of nitrogen oxide while appearing in tests to be within the limit.

The New Mexico Environment Department is named as the state's lead agency for disbursing the approximately \$18 million in settlement funds, most likely for projects that will reduce the level of nitrogen oxide and bring environmental benefits.

To mitigate the environmental damages from violating the federal Clean Air Act, which NMED enforces in the state of New Mexico, the settlement requires VW to invest \$2.925 billion in an independently administered environmental trust. The trust will fund projects to fully mitigate the diesel emissions caused by the offending vehicles. All 50 states, federally recognized tribes, Puerto Rico, and the District of Columbia have been allocated a portion of the trust based on the number of affected vehicles in their jurisdiction.

New Mexico is expected to receive approximately \$18 million in settlement funds: \$16.9 million from the 2.0 liter engine size vehicle partial settlement, and \$1.1 million from the 3.0 liter engine size vehicle partial settlement. The funds may only be allocated for eligible mitigation projects, and must follow cost-sharing guidelines.

(more)

As lead agency, the Environment Department will guide the creation of New Mexico's Beneficiary Mitigation Plan (BMP) and with public input will determine how the funds will be distributed for the benefit of New Mexicans and New Mexico's sky. The New Mexico BMP will articulate:

- the goals for the use of funds;
- the categories of Eligible Mitigation Actions that are appropriate to achieve the stated goals;
- the percentages of funds to be used for each type of Eligible Mitigation Action;
- a description of how New Mexico will consider the potential beneficial impact of the selected actions on air quality in areas that bear a disproportionate share of the air pollution burden;
- a general description of emission benefits that would be realized by implementation of the identified Eligible Mitigation Actions; and
- a description of the State's process for seeking and considering public input on the Beneficiary Mitigation Plan.

The national environmental mitigation trust establishes a process to administer the funds, and identifies ten categories of project eligibility:

1. Class 8 Local Freight Trucks and Port Drayage Trucks (Eligible Large Trucks)
2. Class 4 – 8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)
3. Freight Switcher Locomotives
4. Ferries/Tugboats
5. Ocean Going Vessels Shorepower
6. Class 4 – 7 Local Freight Trucks (Eligible Medium Trucks)
7. Airport Ground Support Equipment
8. Forklifts and Cargo Handling Equipment at Ports
9. Light Duty Zero Emission Vehicle Supply Equipment (Up to 15% of the Allocation)
10. Matching Funds for Projects Eligible under the Diesel Emission Reduction Act (DERA)

New Mexico's Environment Department with other state agencies and public input is developing the criteria for scoring projects, which will include the level of nitrogen oxide reductions and environmental benefits.

Every project proposal submitted to NMED for funding that meets the eligibility requirements will be considered. As the BMP is still in development, no decisions have been made about how to spend New Mexico's share (approximately \$18M ) of the \$2.925B national settlement monies, or who will receive this money.

During August 2017, the Environment Department will conduct public outreach meetings in Albuquerque, Santa Fe, Gallup, Farmington, Las Cruces, and Roswell. At these meetings, representatives of the Environment Department will provide more details on the VW Settlement and solicit input.

To receive email alerts about dates for the public outreach meetings and information related to the Beneficiary Mitigation Plan, please visit the Environment Department's VW Settlement website at <https://www.env.nm.gov/vw-settlement/> and sign up for the VW Settlement Listserv by following the Subscribe to VW Settlement Updates link on that page.

###

**.For your Twitter Feed:** \$18M in Volkswagen Smog Device Software Settlement Funds to be Administered by NM Environment Dept. <https://www.env.nm.gov/vw-settlement/> #NM, #NMED #CleanAir

###

**For your Facebook Feed:** \$18M in Volkswagen Smog Device Software Settlement Funds to be Administered by NM Environment Dept. NMED will host public meetings on the settlement conditions and development of disbursement criteria in Albuquerque, Santa Fe, Gallup, Farmington, Las Cruces, and Roswell.

The state of New Mexico is slated to receive approximately \$18 million dollars in settlement funds following resolution of the Volkswagen smog device emissions scandal. The scandal involved embedded software in vehicles' electronics that allowed Volkswagen's cars to emit up to 40 times the legally allowed amount of nitrogen oxide while appearing in tests to be within the limit. The New Mexico Environment Department is named as the state's lead agency for disbursing the approximately \$18 million in settlement funds, most likely for projects that will reduce the level of nitrogen oxide reductions and bring environmental justice benefits.

<https://www.env.nm.gov/vw-settlement/> #NM, #NMED #CleanAir

###

NMED does not discriminate on the basis of race, color, national origin, disability, age or sex in the administration of its programs or activities, as required by applicable laws and regulations. NMED is responsible for coordination of compliance efforts and receipt of inquiries concerning non-discrimination requirements implemented by 40 C.F.R. Part 7, including Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. If you have any questions about any of NMED's non-discrimination programs, policies or procedures, send email to: [nd.coordinator@state.nm.us](mailto:nd.coordinator@state.nm.us)

###